

Agenda Item #9  
May 6, 2008

**Worksession**

**MEMORANDUM**

May 2, 2008

TO: County Council

FROM: Susan D. John, Legislative Analyst

SUBJECT: **Worksession: FY09 Operating Budget**  
**Department of General Services: Fleet Management Services**  
**Motor Pool Fund Contribution (NDA)**

**Summary of Transportation, Infrastructure, Energy, and Environment (T&E) Committee Recommendations**

The T&E Committee held a worksession on the Fleet Management Services and the Motor Pool Fund Contribution NDA budgets on April 21, 2008. The Committee recommends approval of the FY09 budget as submitted by the Executive.

*Those expected for this worksession:*

Millie Souders, Chief, Fleet Management Services  
Maggie Orsini, Administrative Services Manager, Fleet  
Tammy Mulford, Management and Budget Specialist, Fleet  
Bruce Meier, Department of Public Works & Transportation  
Alex Shabelski, Office of Management and Budget

The Executive's recommendation for Fleet Management Services is attached at © 1-5. The Executive's recommendation for the Motor Pool Fund Contribution (NDA) is attached at © 6.

**Overview**

For FY09, the Executive recommends total expenditures of \$67,674,780 for Fleet Management Services, an increase of \$7,949,270 or 13.3% from the FY08 approved budget.

	FY07 Actual	FY08 Approved	FY09 CE Recommended	% Change FY08-FY09
<b>Expenditures:</b>				
Motor Pool Internal Svc. Fund	56,607,391	59,725,510	67,674,780	13.3%
<b>TOTAL Expenditures</b>	<b>56,607,391</b>	<b>59,725,510</b>	<b>67,674,780</b>	<b>13.3%</b>
<b>Positions:</b>				
Full-time	167	206	206	0.0%
Part-time				
<b>TOTAL Positions</b>	<b>167</b>	<b>206</b>	<b>206</b>	<b>0.0%</b>
<b>WORKYEARS</b>	<b>170.2</b>	<b>191.0</b>	<b>205.5</b>	<b>7.6%</b>

The Executive recommends no changes to staffing.

The FY09 CE recommendation is an increase of \$7,949,270. Almost all of this increase (99%) comes from the following identified same services adjustments.

#### Identified Same Service Adjustments

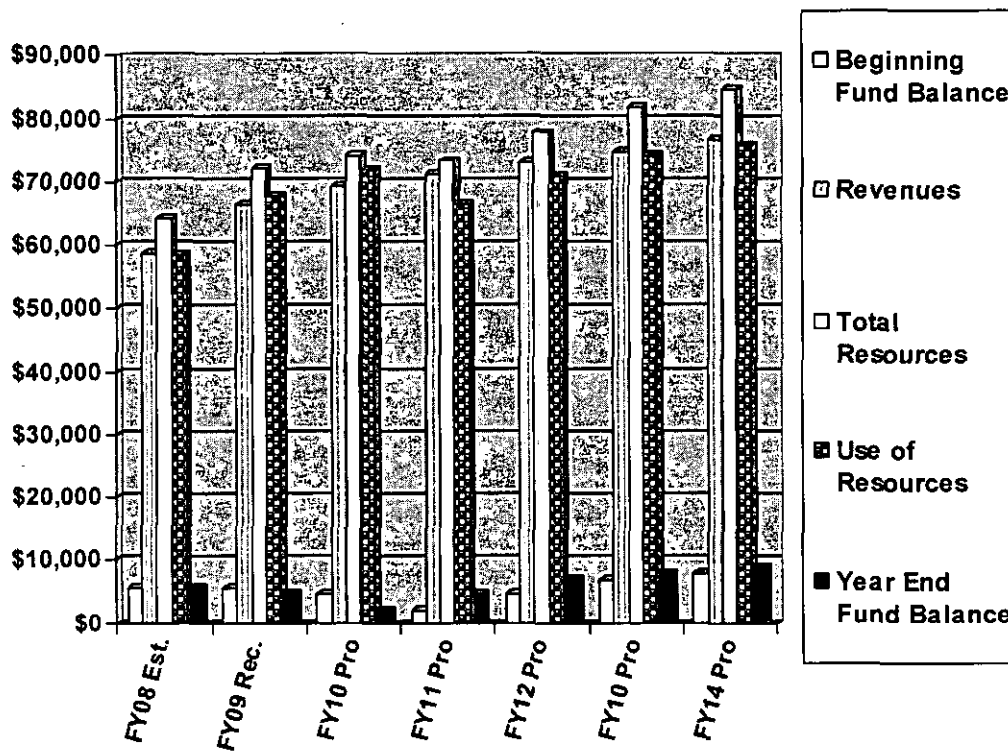
Increase Cost: Annualization of Small Bus Service Takeover	\$2,497,620
Increase Cost: Fuel Adjustment	\$1,741,990
Increase Cost: Vehicle Replacement Expenditures	\$1,266,000
Increase Cost: General Wage and Service Adj.	\$781,410
Increase Cost: Service Lane Contract (EMOC/BMF)	\$400,000
Increase Cost: Annualization of FY08 Personnel Costs	\$357,360
Increase Cost: Risk Management Adj.	\$273,970
Increase Cost: Group Insurance Adjustment	\$247,420
Increase Cost: Additional cost to pre-fund retiree health ins.	\$234,670
Increase Cost: Heavy Equipment Replacement	\$165,000
Increase Cost: Retirement Adjustment	\$137,910
Increase Cost: Bus Wash Contract (Kensington)	\$85,000
Increase Cost: Leased Tires Contract	\$61,770
Increase Cost: Motor Pool Rate Adjustment	\$55,300
Increase Cost: First Vehicle Services Contract	\$50,000
Increase Cost: OMS Adjustment	\$17,520
Increase Cost: Printing and Mail Adjustments	\$10,880
Increase Cost: Maintenance of Safety Equipment	\$5,000
<b>Total Increases:</b>	<b>\$8,388,820</b>
Decrease Cost: Parts and Supplies (Transit)	(\$42,000)
Decrease Cost: Bus AC Contract (Transit)	(\$95,000)
Decrease Cost: Increase Preventive Maintenance Intervals	(\$420,000)
<b>Total Reductions:</b>	<b>(\$557,000)</b>
<b>Net Same Service Adjustments:</b>	<b>\$7,831,820</b>

## Proposed Reorganization

The County Executive proposed the reorganization of several Executive Branch agencies and offices. One of these changes transfers Fleet Management Services from the Department of Public Works and Transportation (DPWT) to a newly-created Department of General Services (DGS). Bill 4-08, which enables the reorganization, was enacted on April 15, 2008 without substantive changes to the Executive's proposal. The bill takes effect July 1, 2008. The County Executive advises that the transfer of Fleet Management Services is budget-neutral, has no impact on agency functions, and does not require the abolishment or addition of any staffing.

### FY09 Motor Pool Fund Cash Balance

The following chart identifies the cash balance for the Motor Pool Fund from FY08 to FY14.



### FY09 Expenditure Issues

#### Heavy Equipment and Automotive Services

Program Summary	Expenditures	Workyears
FY08 Approved	\$8,279,560	39.5
FY09 Recommended	\$8,469,230	39.5

This program category is responsible for the maintenance and repair of the heavy equipment fleet, which includes heavy dump trucks, construction equipment, snow plows, leafers, movers, backhoes, gradalls, and other specialized pieces of heavy equipment. In addition, this program is responsible for the maintenance and repair of the automotive fleet, which includes administrative vehicles, police vehicles, vans, and light trucks. The maintenance and repair service for the automotive and light truck fleet is provided through contract services at Seven Locks Maintenance Facility.

**A. First Vehicle Services Contract: \$50,000**

This contract provides vehicle maintenance for the light fleet housed at the Seven Locks location. Maintenance includes preventive, repair, and vehicle preparation services. Fleet's estimated annual cost for FY08 is \$4,970,000.

**B. Increase Preventive Maintenance Intervals: -\$420,000**

The FY09 recommended budget includes an expenditure reduction of \$420,000 due to increasing the preventive maintenance intervals. For FY09, preventive maintenance intervals will be increased for both administrative and public safety vehicles as follows:

- Administrative vehicles from every 3,000 miles to every 4,000 miles; and
- Public Safety vehicles from every 3,000 miles to every 3,500 miles.

Fleet Management Services (Fleet) advises this extension of maintenance intervals will reduce costs by about \$200 per vehicle per year, for a total estimated savings of \$420,000.

**ISSUE:** Council staff informally researched the preventive maintenance intervals of some other local governments, initially to see whether the Executive's FY09 recommendations on maintenance intervals could be too far apart and potentially lead to safety issues. Of those local jurisdictions that list preventive maintenance intervals for their fleets, all reported that they conducted this type of maintenance every 5,000 miles. **The Committee asked departmental staff to research preventive maintenance practices in other local jurisdictions, and provide an update to the Committee in June 2008.**

**Transit Equipment Services**

Program Summary	Expenditures	Workyears
FY08 Approved	\$14,337,570	110.6
FY09 Recommended	\$17,766,220	125.1

This program is responsible for the maintenance and repair of the transit equipment fleet, which includes Ride On buses and trolleys.

**A. Annualization of Small Bus Service Contract: \$2,497,620**

In March 2008, the County ended its contract that provided maintenance for small buses and assumed the responsibility in-house. Fleet advises the contractual cost had been less expensive primarily because of lower wages paid to the contractor personnel as well as lower benefit packages. Fleet also states it will be providing bus maintenance at an enhanced level to the service in recent years. Fleet advises the total cost of the Small Bus Service is \$4,609,266. This includes 29 positions for a total of 28.5 workyears.

**B. Service Lane Contract (EMOC/BMF): \$400,000**

This contract is for truck/bus lifts for both EMOC and BMF. Fleet advises that the current above-ground lifts pose a safety hazard. The new in-ground lifts will alleviate multiple hazards as well as increase shop efficiency. Fleet originally intended to purchase these lifts through the Capital Improvement (CIP) process; however, after discussions with the Department of Finance and the Office of Management and Budget (OMB), Fleet determined that the master lease program would be a better choice for this type of purchase. The \$400,000 expenditure is the first payment made by Fleet as part of a 10-year financing program.

**C. Bus Wash Contract (Kensington): \$85,000**

Fleet contracted out this service until March 2008, when it extended all services performed on the large bus Fleet to the small bus Fleet. This line item represents exterior bus washing. Costs for this service during the last quarter of FY08 are expected to be \$28,300.

**D. Bus Fleet Interior Bus Cleaning Services (Kensington): \$70,000**

Fleet contracts with a vendor to provide enhanced interior cleaning services to the large bus fleet at both EMOC and BMF. This line item represents the extension of these services to the small bus fleet as well. The service supplements the daily quick sweep cleaning performed in the service lane.

**E. Leased Tires Contract: \$61,770**

Fleet's estimated cost for the FY08 leased tire contract is \$681,000. The FY09 increase represents increases of \$35,000 at EMOC and \$26,770 at BMF.

**F. Parts and Supplies: -\$42,000**

As part of the FY08 Savings Plan, Fleet identified three areas where costs could be reduced, including parts and supplies. This line item represents reductions taken in three areas:

- Oil Samples – Oil samples are taken of engine, transmission, and differential fluids to ascertain what contamination or degradation has occurred, if any. Instead of fleet-wide sampling, Fleet will use the oil analysis kits on specific vehicles.

- PuraDYN Filters – There are currently 57 units in the large transit bus fleet that use the PuraDYN bypass oil filtration system. Fleet can double the current replacement interval with no negative effect on these buses.
- Coolant Re-Use vs. Recycling – In calendar year 2007, Fleet spent over \$16,000 on the recycling and reconditioning of coolant. Approximately 90% of this coolant is suitable for re-use without being reconditioned.

#### **G. Bus AC Contract: -\$95,000**

In FY07, Fleet spent \$345 per bus to conduct a pre-season air conditioning inspection, which was performed by an outside contractor for a total expenditure of \$95,220. Fleet later discovered this was a duplicate service that in-house mechanics were also performing.

#### **Management Services**

Program Summary	Expenditures	Workyears
FY08 Approved	\$936,680	5.1
FY09 Recommended	\$1,095,340	5.6

This program provides policy development, personnel and administrative oversight, and support for division activities. Program staff is responsible for coordinating energy-related matters pertaining to emissions and motor fuel issues, including alternative fuel use and the evaluation of applicable state and federal legislation. Increased expenditures total \$158,660 for FY09 and represent miscellaneous adjustments, including personnel costs. This program received an additional 0.5 workyear due to the transfer of one position from the Administrative Services program.

#### **Administrative Services**

Program Summary	Expenditures	Workyears
FY08 Approved	\$35,721,700	35.7
FY09 Recommended	\$40,343,990	35.3

This program includes: the preparation and monitoring of the operating and CIP budgets; financial management of the Motor Pool Internal Service Fund; fuel management; payment processing; the preparation and monitoring of specifications, Invitations for Bids (IFB), and contracts; inventory and facility management; and the management and administration of computer and office automation system activities. In addition, the program replaces and disposes of the County's Fleet, which includes automobiles and heavy equipment. One position has transferred from this program to the Management Services Program, reducing total workyears by 0.4.

**A. Fuel Adjustment:\$1,741,990**

The overall estimated cost for fuel in FY09 is \$17,586,595. This calculation is based on Fleet's estimated usage for each fuel type in FY09, multiplied by the estimated rates set by the Interagency Committee on Energy and Utilities Management (ICEUM). The increased cost of fuel is approximately 11% higher than FY08 fuel costs.

**FY09 Fuel Rate Comparison**

Fuel Type	Gallons Projected	Average Cost	Total Cost
Unleaded	2,526,768	\$2.68	\$6,771,738
Diesel	3,128,360	\$2.76	\$8,634,274
Ethanol	20,601	\$3.05	\$62,833
CNG	1,075,000	\$1.97	\$2,117,750
<b>Total</b>	<b>6,760,729</b>		<b>\$17,586,595</b>

**B. Vehicle Replacement Expenditures: \$1,266,000**

This item reflects the cost of replacing and disposing of the County's fleet, which includes both automobiles and heavy equipment. The chart below shows the vehicle replacement schedule, which has not changed in several years.

**Vehicle Replace Schedule FY09**

Vehicle Class	Years	Miles
Public Safety	6	120,000
Administrative Sedans	8	85,000
4x4 Vehicles/Pickups	9	100,000
Vans	9	100,000
Medium/Heavy Trucks	12	120,000

**Motor Pool Fund Contribution NDA**

Program Summary	Expenditures	Workyears
FY08 Approved	\$893,530	0
FY09 Recommended	\$1,332,650	0

This account funds the acquisition of new, additional motor pool vehicles, as opposed to replacement vehicles that are financed through an established chargeback mechanism (©6). FY09 expenditures for new and upgraded fleet vehicles are recommended in individual department budgets and are reconciled at the conclusion of the budget cycle. The FY09 recommended amount is \$439,120, or 49% more, than the FY08 approved amount.

**A. Add Police Vehicles (35) (based on FOP Contract FY08-10) (\$754,150)**

The Public Safety Committee discussed this line item as part of the Police Department budget at their worksession on April 15, 2008. Council staff had recommended this item as a potential reduction; however, it is subject to collective bargaining. The Public Safety Committee agreed that this item should be discussed by the Management and Fiscal Policy Committee as part of its review of collective bargaining.

**B. Add Police Vehicles (20) (\$462,000)**

The Public Safety Committee discussed this line item at their April 15 worksession as well; however, the Committee did not take action.

**Committee Recommendation**

The Committee recommends approval of the FY09 budget as submitted by the Executive.

This packet contains:

Recommended FY09 Budget: Fleet Management Services

Recommended FY09 Budget: Motor Pool Fund (NDA)

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# Fleet Management Services

## MISSION STATEMENT

The mission of the Department of General Services- Fleet Management Services (Motor Pool Internal Service Fund) is to plan for, acquire, maintain, and dispose of the County's fleet of motor vehicles, buses, heavy equipment, and other vehicular equipment in support of the transportation and service delivery needs of all County departments.

## County Government Reorganization

In February, 2008, the County Executive announced a detailed Montgomery County Government Reorganization in order to improve effectiveness, customer service, accessibility, and efficiency. As part of this plan, the Department of General Services was created to provide more coordinated government logistics and support functions. The new Department of General Services will include the capital design and construction for County facilities; facilities maintenance and related services; real estate operations; printing, mail delivery and records management; and fleet management services previously housed in the Department of Public Works and Transportation. In addition, the previous functions of the Office of Procurement and the Local Small Business Reserve Program previously located in the Department of Economic Development will be consolidated into the Department of General Services. Due to the scale of operations, the Fleet Management Services budget is displayed separately.

## BUDGET OVERVIEW

The total recommended FY09 Operating Budget for the Division of Fleet Management Services is \$67,674,780, an increase of \$7,949,270 or 13.3 percent from the FY08 Approved Budget of \$59,725,510. Personnel Costs comprise 27.9 percent of the budget for 206 full-time positions for 205.5 workyears. Operating Expenses and Capital Outlay account for the remaining 72.1 percent of the FY09 budget.

## LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ *An Effective and Efficient Transportation Network*
- ❖ *A Responsive, Accountable County Government*

## PERFORMANCE MEASURES

This table presents what the department estimates and projects will be the FY08 through FY10 data for its performance measures if there are no changes in funding.

Measure	Actual FY06	Actual FY07	Estimated FY08	Projected FY09	Projected FY10
Percentage of Customer Satisfaction for Police Vehicle Maintenance <sup>1</sup>	98.7	99.0	98.5	99.0	99.0
Percentage of Fleet Availability for Police Vehicle Maintenance	96.4	96.4	97.5	98.0	98.0
Clean Air Commitment - Gallons Alternative Fuels Used <sup>2</sup>	1,029,616	1,105,433	1,337,182	3,442,832	4,233,507
Clean Air Commitment - Gallons Diesel/Unleaded Used	5,126,710	5,156,280	4,924,531	2,818,881	2,028,207
Average Days Out of Service per Bus for Parts	3.8	6	4.9	4	3.8
Percentage of Transit Services Daily Bus Requirements Met	98.0	N/A	98.5	98.8	99.0

<sup>1</sup>Based on customers who did not rate overall service quality as "unsatisfactory".

<sup>2</sup>Alternative fuels include E-85 Ethanol, Compressed Natural Gas (CNG), and Bio-diesel. FY08 thru FY10 projections are based on a bio-diesel pilot project to begin spring of 2008.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ *Piloted a bio-diesel fuel project to study the effects of utilizing alternative fuels in the County fleet.*
- ❖ *Implemented a comprehensive safety training program for Division staff to ensure that all employees are trained on current safety standards.*
- ❖ *Developed a broad tracking system utilized at the Automotive Equipment Section (AES) facility, which allows employees to track accidents and workorders.*

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❖ *Participated in a joint procurement, reverse auction to purchase Natural Gas resulting in an estimated savings of \$900,000 over the three-year contract period.*

❖ **Productivity Improvements**

- *Developed new recruiting techniques by utilizing referral bonuses, trade publications, and approaching local colleges and trade schools to recruit experienced mechanics.*
- *Streamlined and improved existing preventive maintenance procedures, which helped reduce unscheduled fleet maintenance and breakdowns.*
- *Developed standard operating procedures (SOP) for the Warranty Program in order to recoup additional funds through warranty claims.*
- *Leading a joint procurement, reverse auction for the purchase of E-10 Unleaded Gasoline potentially saving the County thousands over current gasoline contract prices.*

## PROGRAM CONTACTS

Contact Maggie Orsini of the Division of Fleet Management Services at 240.777.5759 or Alexandra Shabelski of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Heavy Equipment and Automotive Services

This program is responsible for the maintenance and repair of the heavy equipment fleet which includes heavy dump trucks, construction equipment, snow plows, leafers, mowers, backhoes, gradalls, and other specialized pieces of heavy equipment. In addition, this program is responsible for the maintenance and repair of the automotive fleet which includes administrative vehicles, police vehicles, vans, and light trucks. The maintenance and repair service for the automotive and light truck fleet is provided through contractual service at the Seven Locks Maintenance facility.

#### FY09 Recommended Changes

	Expenditures	WYs
<b>FY08 Approved</b>	<b>8,729,560</b>	<b>39.5</b>
Increase Cost: First Vehicle Services Contract	50,000	0.0
Decrease Cost: Increase Preventative Maintenance Intervals	-420,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	109,670	0.0
<b>FY09 CE Recommended</b>	<b>8,469,230</b>	<b>39.5</b>

### Transit Equipment Services

This program is responsible for the maintenance and repair of the transit equipment fleet which includes Ride On transit buses.

#### FY09 Recommended Changes

	Expenditures	WYs
<b>FY08 Approved</b>	<b>14,337,570</b>	<b>110.6</b>
Increase Cost: Annualization of Small Bus Service takeover	2,497,620	14.5
Increase Cost: Service Lane Contract (EMOC/BMF)	400,000	0.0
Increase Cost: Bus Wash Contract (Kensington)	85,000	0.0
Enhance: Small Bus Fleet (Kensington) Interior Bus Cleaning Services	70,000	0.0
Increase Cost: Leased Tires Contract	61,770	0.0
Decrease Cost: Parts and Supplies	-42,000	0.0
Decrease Cost: Bus AC Contract	-95,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	451,260	0.0
<b>FY09 CE Recommended</b>	<b>17,766,220</b>	<b>125.1</b>

### Management Services

This program provides policy development and planning; operational, personnel, and administrative oversight; and support for

division activities. This program is also the central coordinator for the County on energy-related matters pertaining to emissions and motor fuel to include alternative fuels and applicable State and Federal legislation.

#### **FY09 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY08 Approved</b>	<b>936,680</b>	<b>5.1</b>
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	158,660	0.5
<b>FY09 CE Recommended</b>	<b>1,095,340</b>	<b>5.6</b>

#### **Administrative Services**

This program includes the preparation and monitoring of the operating and CIP budgets; financial management of the Motor Pool Internal Service Fund; fuel management; payment processing; solicitations, and contracts; inventory and facility management; and the management and administration of computer and office automation system activities.

#### **FY09 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY08 Approved</b>	<b>35,721,700</b>	<b>35.7</b>
Increase Cost: Fuel Adjustment	1,741,990	0.0
Increase Cost: Vehicle Replacement Expenditures	1,266,000	0.0
Increase Cost: Heavy Equipment Replacement	165,000	0.0
Increase Cost: Printing and Mail Adjustments	10,880	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	1,438,420	-0.4
<b>FY09 CE Recommended</b>	<b>40,343,990</b>	<b>35.3</b>

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## BUDGET SUMMARY

	Actual FY07	Budget FY08	Estimated FY08	Recommended FY09	% Chg Bud/Rec
<b>MOTOR POOL INTERNAL SERVICE FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	10,301,303	12,118,280	12,340,100	14,014,420	15.6%
Employee Benefits	3,459,465	4,108,500	3,898,240	4,843,300	17.9%
<b>Motor Pool Internal Service Fund Personnel Costs</b>	<b>13,760,768</b>	<b>16,226,780</b>	<b>16,238,340</b>	<b>18,857,720</b>	<b>16.2%</b>
Operating Expenses	33,391,814	35,297,480	34,797,580	39,184,810	11.0%
Capital Outlay	9,454,809	8,201,250	7,542,450	9,632,250	17.4%
<b>Motor Pool Internal Service Fund Expenditures</b>	<b>56,607,391</b>	<b>59,725,510</b>	<b>58,578,370</b>	<b>67,674,780</b>	<b>13.3%</b>
<b>PERSONNEL</b>					
Full-Time	167	206	206	206	—
Part-Time	0	0	0	0	—
Workyears	170.2	191.0	191.0	205.5	7.6%
<b>REVENUES</b>					
Charges For Services	53,210,902	54,987,960	56,867,430	64,853,290	17.9%
State Fuel Tax	-1,497	0	0	0	—
Warranty Claims	12,869	80,000	80,000	80,000	—
Disposal of Fixed Assets Gain/(Loss)	0	300,000	300,000	300,000	—
Enterprise Rental Vehicles	202,415	160,000	0	0	—
Insurance Recoveries	967,776	1,000,000	1,000,000	1,000,000	—
Other Revenue	136,214	130,000	130,000	130,000	—
Take Home Vehicle Charges	16,466	20,000	0	0	—
Interest Income - Pooled Investments	306,937	200,000	250,000	160,000	-20.0%
Ride-On Bus Service Maintenance	0	1,956,646	0	0	—
<b>Motor Pool Internal Service Fund Revenues</b>	<b>54,852,082</b>	<b>58,834,606</b>	<b>58,627,430</b>	<b>66,523,290</b>	<b>13.1%</b>

## FY09 RECOMMENDED CHANGES

	Expenditures	WYs
<b>MOTOR POOL INTERNAL SERVICE FUND</b>		
<b>FY08 ORIGINAL APPROPRIATION</b>	<b>59,725,510</b>	<b>191.0</b>
<b>Changes (with service impacts)</b>		
Enhance: Small Bus Fleet (Kensington) Interior Bus Cleaning Services [Transit Equipment Services]	70,000	0.0
Enhance: Truck/Bus Lift for EMOC and BMF Master Lease	47,450	0.0
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Annualization of Small Bus Service takeover [Transit Equipment Services]	2,497,620	14.5
Increase Cost: Fuel Adjustment [Administrative Services]	1,741,990	0.0
Increase Cost: Vehicle Replacement Expenditures [Administrative Services]	1,266,000	0.0
Increase Cost: General Wage and Service Increment Adjustments	781,410	0.0
Increase Cost: Service Lane Contract (EMOC/BMF) [Transit Equipment Services]	400,000	0.0
Increase Cost: Annualization of FY08 Personnel Costs	357,360	0.0
Increase Cost: Risk Management Adjustment	273,970	0.0
Increase Cost: Group Insurance Adjustment	247,420	0.0
Increase Cost: Additional cost to pre-fund retiree health insurance on the multi-year schedule	234,670	0.0
Increase Cost: Heavy Equipment Replacement [Administrative Services]	165,000	0.0
Increase Cost: Retirement Adjustment	137,910	0.0
Increase Cost: Bus Wash Contract (Kensington) [Transit Equipment Services]	85,000	0.0
Increase Cost: Leased Tires Contract [Transit Equipment Services]	61,770	0.0
Increase Cost: Motor Pool Rate Adjustment	55,300	0.0
Increase Cost: First Vehicle Services Contract [Heavy Equipment and Automotive Services]	50,000	0.0
Increase Cost: Occupational Medical Services (OMS) Adjustment	17,520	0.0
Increase Cost: Printing and Mail Adjustments [Administrative Services]	10,880	0.0
Increase Cost: Maintenance of Safety Equipment	5,000	0.0
Decrease Cost: Parts and Supplies [Transit Equipment Services]	-42,000	0.0
Decrease Cost: Bus AC Contract [Transit Equipment Services]	-95,000	0.0
Decrease Cost: Increase Preventative Maintenance Intervals [Heavy Equipment and Automotive Services]	-420,000	0.0
<b>FY09 RECOMMENDED:</b>	<b>67,674,780</b>	<b>205.5</b>

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## PROGRAM SUMMARY

	FY08 Approved		FY09 Recommended	
	Expenditures	WYs	Expenditures	WYs
Heavy Equipment and Automotive Services	8,729,560	39.5	8,469,230	39.5
Transit Equipment Services	14,337,570	110.6	17,766,220	125.1
Management Services	936,680	5.1	1,095,340	5.6
Administrative Services	35,721,700	35.7	40,343,990	35.3
Totals	59,725,510	191.0	67,674,780	205.5

## FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY09	FY10	FY11	FY12	FY13	FY14
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>MOTOR POOL INTERNAL SERVICE FUND</b>						
<b>Expenditures</b>						
<b>FY09 Recommended</b>	<b>67,675</b>	<b>67,675</b>	<b>67,675</b>	<b>67,675</b>	<b>67,675</b>	<b>67,675</b>
No inflation or compensation change is included in outyear projections.						
<b>Labor Contracts</b>	<b>0</b>	<b>839</b>	<b>898</b>	<b>898</b>	<b>898</b>	<b>898</b>
These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits.						
<b>Central Duplicating Deficit Recovery Charge</b>	<b>0</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>
This per employee charge will be eliminated in FY10.						
<b>Master Lease Truck/Bus Lift</b>	<b>0</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>0</b>
<b>Retiree Health Insurance Pre-Funding</b>	<b>0</b>	<b>313</b>	<b>625</b>	<b>937</b>	<b>1,007</b>	<b>1,081</b>
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
<b>Subtotal Expenditures</b>	<b>67,675</b>	<b>68,872</b>	<b>69,242</b>	<b>69,554</b>	<b>69,625</b>	<b>69,651</b>

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	Expenditures	WYs
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	745,000	0.0
<b>FY09 CE Recommended</b>	<b>745,000</b>	<b>0.0</b>

### Motor Pool Fund Contribution

This NDA funds the acquisition of new, additional Motor Pool fleet vehicles, as opposed to replacement vehicles which are financed through an established chargeback mechanism.

### FY09 Recommended Changes

	Expenditures	WYs
<b>FY08 Approved</b>	<b>893,530</b>	<b>0.0</b>
Add: Police vehicles (35) - single officer vehicles based on Fraternal Order of Police Contract FY08-10	754,150	0.0
Add: Police new vehicles	462,000	0.0
Increase Cost: Highway Operations vehicles (3) included in Department of Transportation FY09 request	58,500	0.0
Increase Cost: Department of Transportation vehicles approved in FY08	58,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-893,530	0.0
<b>FY09 CE Recommended</b>	<b>1,332,650</b>	<b>0.0</b>

### Municipal Tax Duplication

The Montgomery County Tax Duplication Program, authorized by Chapter 30A of the Montgomery County Code, reimburses municipalities for those public services they provide that would otherwise be provided by the County. County Council Resolution No. 9-1752, enacted April 27, 1982, increased the scope of program coverage from street-related expenditures to include other public services, such as Police Supplemental Aid; animal control; elderly transportation and nutrition; parks maintenance; zoning; Board of Appeals; and human rights.

This program was reviewed in FY96 and technical formula amendments proposed. The changes were approved, and payment calculations since then are prepared in accordance with County Council Resolution No. 13-650, adopted September 10, 1996. Specifically, as the exact payment amount for the current year cannot be determined until both municipal and County books are closed, reimbursements are based on the final audited cost of performing eligible services during the fiscal year two years prior to the budget year. Also, reimbursements are now made at the County's cost and not at "the lesser of County or Municipal costs" of eligible service provision.

Finally, payments to municipalities are also made from other sources, including Cable TV Franchise Fees, Grants in Lieu of Shares Tax, Non-Departmental Accounts, and as part of the County's Community Development Block Grant.

### FY09 Recommended Changes

	Expenditures	WYs
<b>FY08 Approved</b>	<b>7,488,240</b>	<b>0.0</b>
<b>FY09 CE Recommended</b>	<b>7,488,240</b>	<b>0.0</b>

### Prisoner Medical Services

This NDA provides reimbursements to physicians and hospitals for medical care provided to individuals in the custody of any Montgomery County law enforcement agency, with the exception that offenders committed to the custody of the Department of Correction and Rehabilitation (DOCR) receive medical treatment paid for by the budget of that department (to the degree not paid for by Workers' Compensation, personal medical insurance, the Federal government, or other appropriate and available outside resources). DOCR manages this account and, with the assistance of the County Attorney, determines which costs are the responsibility of the County. All bills are reviewed for appropriateness of cost by a private contractor prior to payment.

### FY09 Recommended Changes

	Expenditures	WYs
<b>FY08 Approved</b>	<b>10,000</b>	<b>0.0</b>
<b>FY09 CE Recommended</b>	<b>10,000</b>	<b>0.0</b>

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